Panivagai the increase is due to the additional allotment sanctioned during the year. The contribution of Bh. Rs. 1 lakh towards the All-India Anti Tuberculosis Programme accounts for the increased expenditure under Medical, Public Health and Sanitation. The increase under Public Works is due to the additional allotment sanctioned during the year for urgent works. Increased expenditure under catering for State guests, Birthday Celebrations of His Highness the Maharaja and other charges accounts for the increase under Miscellaneous Political Expenditure. Under Superannuation allowances and Pensions, the expected increase is on account of increase in the retirement list.

Savings in expenditure are also expected under "His Highness the Maharaja's Tours outside the State" (·90), Education (·41), Maramat (·43), and Army (·98). Under "His Highness the Maharaja's tours outside the State," the major portion of the budget grant is expected to lapse since the only tour of His Highness during the year was a short one to Waltair. The savings under salaries and establishment charges account for the decrease under Education. The amalgamation of the Maramat department with the P. W. D. after the passing of the budget estimates for the year and savings in the allotment provided for Maramat works, account for the less expenditure under Maramat. Under Army, the expected saving is chiefly under salaries and establishment charges due mainly to the strength of the Forces not having been brought up to the full sanctioned number.

5. On the Capital section, sale proceeds of Government lands are expected to bring in Rs 1·35 lakhs against the budget estimate of Rs 2 lakhs and the Miscellaneous receipts from the sale of Government Distillery at Nagercoil and the Tincture Factory, to the Travancore Sugars and Chemicals Ltd., are expected to bring in Rs. 2·01 lakhs. The capital outlay on our non-productive schemes and works is now expected to stand revised at Rs 30·75 lakhs against the budgeted expenditure of Rs 38·32 lakhs. The loss on our investments in the Travancore Sugars Ltd., Thuckalay, amounting to Rs 1·58 lakhs is also proposed to be written off the accounts of this year as capital loss. A net outgoing of Rs 27·98 lakhs is thus expected against Rs 33·29 lakhs anticipated in the budget. The Government Account balance which was Rs 73·58 lakhs at the beginning of the year is now expected to be reduced to Rs 45·60 lakhs at the close of the current year.

BUDGET ESTIMATES FOR 1114.

6. The following are some of the more important changes in the classification of Budget heads made in the next year's budget estimates:—

(i) On the receipt side two major heads have been opened under the Group head Commercial Services, one to exhibit the details of the gross receipts and working expenses of the Commercial Transport Department and the other of the Clay Refining and Porcelain Factory.

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(ii) A new sub head "Department of the Director of Development" has been opened under 6—Forests, and provision is made under this head for the salary of the Director of Development, his staff and contingencies.

(iii) The Legal Remembrancer appointed as a result of the abolition of the Law Member's appointment is treated as a Secretariat Officer and accordingly provision for his salary as well as his staff and contingencies, is made under a new sub-head "Legal Remembrancer" opened under 15—General Administration.

(iv) The Photograph department has been amalgamated with the Press Room and placed under the control of the Director of Information and provision for the reconstituted department of the Director of Information is included in the next year's budget under a separate sub-head under 15. A.—General Administration.

(v) The Superintendent, Government Press, has been divested of his control in the Central Prison Press which has been placed under the Superintendent, Central Prison. Accordingly the provision for the Central Prison Press is made under a separate new head "Central Prison Press" under 17—Jails.

(vi) With the constitution of the Travancore University and the transfer of the Colleges, the Collegiate Hostels and some of the other allied institutions to that body, provision has been omitted for the running of the above institutions in the budget estimate of the next year. The receipts pertaining to these institutions have also been surrendered to the University and the next year's budget has not taken credit for the expected receipts from these institutions. A lump provision of Rs 8 lakhs proposed for payment by way of grant to the University from the General Revenue is provided for under a separate head under 20—Education.

(vii) The provision for the pay of the Officer and staff deputed for taking stock of the vessels in the Utsavamatom is shown under a minor head newly opened in the next year's budget.

(viii) Provision for the continuance of the Poultry Farm hitherto included under 21 B—Agricultural Farms and Depots, has been separated and is shown in the next year's budget under a separate minor head "Poultry Farm" under 21.—Agriculture and Fisheries.

7. I shall now proceed to the Budget Estimates of the coming year. The revenue is estimated at Rs 261·41 lakhs which is the highest on record and an expenditure charged to revenue of Rs 259·98 lakhs has been provided for, leaving a revenue surplus of Rs 1·43 lakhs

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It is a matter for satisfaction that this increse has taken place without resort to any fresh taxation measures. This is a conservative estimate and if our anticipations are realised our revenue may easily mount up to Rs 265 lakhs leaving a surplus of about Rs 5·5 lakhs. Sale proceeds of Government lands are expected to bring in Rs 2·5 lakhs and our programme of Capital Expenditure on non-productive works is estimated at Rs 33·5 lakhs, the productive works aggregating to Rs 45·53 lakhs being provided for under Debt Heads.

REVENUE.

8. The revenue budgeted for the ensuing year is Rs 261·41 lakhs as against the current year's revised estimate of Rs 251·06 lakhs. While improvement in revenue to the extent of Rs 13·42 lakhs is expected under some of the major heads, chiefly Taxes on Income (·51), Excise (1·76), Customs (5·58), Forest (·50), Interest (1·02), Commercial Transport (2·10) and Ceramic Factory (·95), decreases to the extent of Rs. 3·06 lakhs are anticipated under others. The expected increase under Income Tax is mainly under income from business as a result of the revision of rates and the measures adopted against evasion of payment of tax. The increase of Rs 1·76 lakhs under Excise is expected both from Tobacco and Abkari and Opium to the extent of Rs 1·05 lakhs and Rs ·71 of a lakh respectively. It is expected that on account of the special measures adopted to check effectively the smuggling of tobacco through the frontiers, which have just now begun to operate effectively, the improvement in revenue anticipated for the next year will be realised. Under Abkari and Opium, the expected increase is based on the results of the auction sales for the bienniel contract of 1114—16. The large increase anticipated under Customs is mainly under receipts from the Cochin Harbour Scheme which are expected to amount to Rs 14·92 lakhs in the next year as against the current year's receipt of Rs 9·26 lakhs. As a result of the separation of Burmah from India under the Reforms, the duty on petrol and oil which was till then treated as Excise Revenue by the Government of India is classed as Customs Revenue and the duty realised at the Port of Cochin on petrol and oil is also pooled for division. Consequently, the net revenue available for division for the year ended March 1938 according to the preliminary figures, exceeds Rs 1 crore and our share according to the revised agreement amounts to Br. Rs 19·76 lakhs, comprising Rs 19·02 lakhs from the Government of India including duty already collected by us and Rs ·74 of a lakh due from the Government of Cochin on account of duty on Jaffna tobacco pooled for division prior to 1936—37. In this connection I am glad to inform the House that as a result of negotiations, the Government of India have agreed to pay in advance 90 per cent. of our share on the basis of the preliminary figures and the balance of 10 per cent. as soon as the final figures are settled so that there may not be any loss of interest. Forest revenue is expected to be more than the current year's revised estimate by Rs ·5 of lakh due mainly to the better prices already secured for soft woods as a result of the activities of the new Director of

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